

STATE OF MONTANA
MARK O'KEEFE
State Auditor and Commissioner of Insurance
P.O. Box 4009 - Helena, Montana 59604

APPLICATION FOR ORIGINAL CERTIFICATE OF AUTHORITY

(Full and Exact Corporate Name)

(Statutory Home Office Address: Street & Number, City, State, Zip Code)

(Admin. Office Address: Street & Number, P.O. Box, City, State, Zip Code)

(Mail Address: Street & Number, P.O. Box, City, State, Zip Code)

PHONE:(____) _____ - _____ FAX:(____) _____ - _____ WATS:(____) _____ - _____

organized under the laws of _____ on _____
(Month, Day, Year)

as a () Stock Company () Mutual Company () Other _____

hereby applies for a Certificate of Authority authorizing and empowering this Company to transact the business of insurance in the state of Montana under, and in compliance with, the laws thereof for the following lines of business (indicate by checkmark):

- () Life (including variable contract authority) §33-1-208; 33-2-Part 6, MCA
() Life (excluding variable contract authority) §33-1-208, MCA
() Disability §33-1-207, MCA
() Property §33-1-210, MCA
() Casualty (including Workers' Comp) §33-1-206, MCA
() Casualty (excluding Workers' Comp) §33-1-206, MCA
() Surety §33-1-211, MCA
() Marine §33-1-209, MCA
() Title §33-1-212, MCA

Reinsurance Only: Would you like your Certificate of Authority to be restricted to REINSURANCE ONLY for the lines marked above ? ___ Yes ___ No

As a condition precedent to and as a consideration for the issuance of the Certificate of Authority herein applied for, this Company declares that its Articles of Incorporation permit it to write the above designated lines of business; that it has complied with all laws of the State of Domicile relating to such companies, and that it accepts the terms and provisions of the laws of the state of Montana applicable to said Company.

Dated at _____ this ____ day of _____, 19__.

Corporate Name

NAIC Number

Federal ID Number

By _____
President

Contact Person

By _____
Secretary

(Seal)

STATE OF MONTANA
MARK O'KEEFE
State Auditor and Commissioner of Insurance
P.O. Box 4009
Helena, Montana 59604-4009

FOREIGN INSURANCE COMPANY ADMISSION REQUIREMENTS

These instructions and the following numbered lists present the requirements for admission to transact the business of insurance in the state of Montana.

Please number your admission documents to correspond with each of the 31 application filing requirements. A response to each requirement is necessary in order for your application to be considered complete. All certifications pertaining to this application must be of a recent date (six months of date submitted). Failing to comply with these instructions or furnishing incomplete information will delay the processing of the application.

After we have reviewed the corporate and financial information submitted, pursuant to Section 33-2-115(10), MCA, we will require that you furnish us with specimen copies of the proposed policies to be offered in Montana, together with the applicable premium rates (Requirement #31). The application process may be expedited by submitting the proposed policies and rates with the original application.

If you indicated on your application that you will write no direct business in Montana, your Certificate of Authority will be restricted to "Reinsurance Only" for the lines of authority requested. Companies authorized for "Reinsurance Only" in the state of Montana are NOT required to submit policies and rates.

The Montana Insurance Department accepts applications for admission between March 1 and October 1, only. Applications are processed in the order they are received.

The following forms are required to be completed as part of the admission package:

- 1. APPLICATION FOR ORIGINAL CERTIFICATE OF AUTHORITY**
- 2. APPOINTMENT OF ATTORNEY TO ACCEPT SERVICE OF PROCESS**
- 3. BIOGRAPHICAL AFFIDAVIT**
- 4. MONTANA CERTIFICATE OF AUTHORITY APPLICATION FILING REQUIREMENTS**

Montana Code Annotated, Title 33 Insurance and Insurance Companies may be purchased from the Montana Legislative Council, P.O. Box 2017060 Helena, MT 59620. The phone number is (406) 444-3064.

Thank you for your interest in Montana.

Forward all application materials in one package to:

Mail Address:

**EXAMINATIONS BUREAU
Montana Department of Insurance
P.O. Box 4009
Helena, MT 59604**

Physical Address:

**EXAMINATIONS BUREAU
Montana Department of Insurance
Mitchell Bld., Room 270
126 N. Sanders
Helena, MT 59620**

MONTANA CERTIFICATE OF AUTHORITY APPLICATION FILING REQUIREMENTS:

GENERAL REQUIREMENTS

1. Completed APPLICATION FOR ORIGINAL CERTIFICATE OF AUTHORITY.
2. Montana's Certificate of Authority application fee: \$600, Submit higher retaliatory fee, (33-2-709, MCA) if applicable.
3. Appointment of Attorney to Accept Service of Process form (INS. FORM 1042--93). Please note that the last line of the form requires the company to designate the complete name and address of the person to whom service of process is to be forwarded. A corporate seal must also be present on the form.
4. Uniform NAIC biographical affidavit for each officer and director of the company (Blank form enclosed). Biographical affidavits must be completed for each officer and director listed on the jurat page of the annual and quarterly financial statements.
5. Statement by Insurance Department of insurer's state of domicile or state of entry listing statutory admission requirements and any additional requirements established by department rules or regulation which would apply to the admission of a like Montana company. Domiciliary state fees for filing admission papers or applying for admission, as well as fees upon admission should be itemized.

6. Certificate from the Commissioner of Insurance in the insurer's domiciliary state, showing that the insurer is authorized to transact the kinds of insurance proposed to be transacted in the state of Montana. If the certificate identifies lines of authorization by statutory citations, submit a key or legend describing the lines of authorization. A copy of the state of domicile's insurance code will suffice. (Sec. 33-2-115(7), MCA).
7. Certificate of deposit from the insurer's domiciliary state Insurance Department. Certification must include an itemized list of securities. Refer to DEPOSIT REQUIREMENT informational enclosure.
8. Statement as to whether the insurer's license or certificate of authority to do business in any state has ever been suspended or revoked. If license has ever been suspended or revoked, provide a detailed explanation as to the reasons for such action.
9. Statement as to whether the insurer has ever been denied admission/redomestication into any state or has ever withdrawn such an application from any state. Please explain any denials or withdrawals.
10. Submission of copies of special regulatory restrictions imposed by the company's state of domicile insurance department and any state insurance department in which the company operates.

CORPORATE DOCUMENTS

11. Copy of corporate charter or articles of incorporation, with all amendments thereto, certified by the public officer with whom the originals are on file in the state or country of domicile. (Sec. 33-2-115(1), MCA).
12. If a MUTUAL INSURER, submit a certified copy of company by-laws, as amended. The by-laws should be certified by the company's secretary or officer who has custody thereof. (Sec. 33-2-115(2), MCA).
13. If a member of a HOLDING COMPANY, copy of current holding company registration statement (Form B) which was filed with domicile insurance department or a letter from the insurer's domiciliary commissioner confirming that the latest required holding company filing has been made.
14. If a RECIPROCAL INSURER, submit copies of the power of attorney of company's attorney-in-fact, together with subscriber's agreement certified by its attorney-in-fact. (Sec. 33-2-115(3), MCA).
15. If an ALIEN INSURER, submit a copy of the appointment and authority of the company's U.S. Manager. This must be certified by the officer having custody of the insurer's records. (Sec. 33-2-115(8), MCA).

FINANCIAL REPORTING INFORMATION

- 16 . Copy N.A.I.C. convention blank annual statement, as of the preceding year. This must be sworn to by at least two executive officers of the company. (Sec. 33-2-115(4), MCA).
17. Audited financial statements for the preceding year.
- 18 . Management discussion & analysis supplement to the preceding year's annual statement..
19. Report of examination, taken within the past five years, certified by the insurance commissioner of insurer's state of domicile. (Sec. 33-2-115(5), MCA). If the company formally responded to examination recommendations contained in Examination Report, please submit a copy of the response.
20. Most recent quarterly financial statement and **continued filing of quarterly statements until the application is acted upon.**

GENERAL OPERATIONS INFORMATION

21. List of all management service agreements with non-affiliated companies, including:
 - (a) brief description of services provided.
22. List of all managing general agent (MGA) agreements, including:
 - (a) amount of premiums that run through each MGA;
 - (b) specific services provided by each MGA.
23. Summary of the insurer's reinsurance programs, including:
 - (a) company's current retention levels for lines comprising 20% or more of total business written;
 - (b) summary of material changes in reinsurance programs during the past year; and,
 - (c) list of primary reinsurers that have reinsured over 20% of total business written..
24. Summary of the insurer's investment policies, including:
 - (a) procedures the company has in place for reviewing, accepting or denying proposed investments; and,
 - (b) types of investments and percentage limitations for each kind of investment.
25. Insurer's marketing plan for Montana, including:
 - (a) agency system which will be used (captive or independent);
 - (b) description of training of agents; and,

(c) description of marketing method.

26. Schedule of major insurance products to be marketed in Montana.
27. Projection of the anticipated Montana premiums for each of the next (3) years. Include a breakdown of the product mix by type.
28. Brief description of any lawsuit filed against the company that asked for a judgment equal to or greater than 10% of the policyholders surplus. Also give a listing of all judgments that the company has appealed and the amount.
29. Summary of underwriting and claims procedures and controls, including:
 - (a) explanation of whether underwriting will be done by company personnel, MGA, or both; and,
 - (b) procedures the company has in place for reviewing, accepting, or denying claims.
30. Statement of the number and type of complaints received from the various State Insurance Departments in the past two (2) years.
31. After we have reviewed the corporate and financial information submitted, specimen copies of policies proposed to be offered in this state, together with premiums or premium rates applicable, or a declaration that such rates as applicable will be those promulgated by designated rating organizations authorized to file such rates in this state on behalf of the insurer must be filed. (Sec. 33-2-115(10), MCA) This requirement does not apply if you have requested "reinsurance only" authority on your application.

DEPOSIT REQUIREMENTS (Sec. 33-2-111, MCA)

All insurers are required to have on deposit with the Commissioner of insurance of the State of Montana, or with the duly authorized official of the domiciliary state, a sum of eligible securities listed below (except for a title insurer, for which the deposit requirement is \$100,000), in trust for the protection of all the insurer's policyholders and creditors in Montana. Eligible securities are defined in Sections 33-2-811(1), 33-2-812, and 33-2-813, MCA, copy of statutes attached. Securities must be valued at market value.

SCHEDULE OF AMOUNTS REQUIRED FOR CERTIFICATE OF DEPOSIT AND MINIMUM CAPITAL OR SURPLUS REQUIRED (Sec. 33-2-109, MCA)

Life	\$ 200,000
Disability	200,000
Life and Disability	300,000
Property	400,000
Marine	400,000
Casualty	
All lines <u>except</u> Workers' Compensation)	400,000
All lines <u>including</u> Workers' Compensation)	600,000
Surety	500,000
Title	200,000
Multiple lines (2 or more: property, casualty, marine or surety)	800,000
Multiple lines and Disability	1,000,000

SPECIAL SURPLUS REQUIREMENTS (Sec. 33-2-110, MCA)

- (a) All insurers which have actively transacted insurance in their domicile state for less than five (5) years, shall possess an additional surplus of one hundred percent (100%) of the capital or surplus required when first authorized in the state of Montana.
- (b) Insurers that have actively transacted insurance in one or more states for more than five (5) years, shall possess an additional surplus of fifty percent (50%) of the capital or surplus required when first authorized in the state of Montana.
- (c) After authorization, insurers authorized to transact multiple lines in the state of Montana shall at all times have and maintain surplus of not less than \$100,000.00 in addition to the capital or surplus requirements listed in the schedule above.

FEES AND LICENSES (Sec. 33-2-708, MCA)

1. CERTIFICATE OF AUTHORITY

- (a) Application for original Certificate of Authority: For filing applications for a Certificate of Authority; Articles of Incorporation and other charter documents; by-laws; financial statements, examination reports; service of process; and all other documents required in connection with such application; and for issuance of Certificate of Authority, if issued \$600.00
- (b) Annual Continuation of Certificate of Authority \$600.00
- (c) Annual Assessment for Insurance Department Operations.\$200.00
- (d) Reinstatement of Certificate of Authority \$ 25.00
- (e) Amendment of Certificate of Authority \$ 50.00

2. CORPORATE FILINGS

- (a) Filing amended articles of incorporation \$ 25.00
- (b) Filing by-laws or amendments thereto, where required (MUTUAL INSURERS ONLY) \$ 10.00

3. Filing ANNUAL STATEMENT of insurer, other than as part of application for original Certificate of Authority \$ 25.00

4. POLICY FORMS (Filed after admission)*

- (a) Filing each policy form \$ 25.00
- (b) Filing each application, rider, endorsement, amendment, insert page, schedule or rates and clarification of risks, per policy \$ 10.00
- (c) Maximum charge per policy, if policy and all forms submitted at one time, or resubmitted for approval within 180 days \$100.00

*NOTE: The forms filed as part of the application pursuant to 33-2-115(10), MCA, do not satisfy the forms submissions required by 33-2-501, MCA, after licensure. Similarly the rates filed pursuant to 33-2-115(10) do not satisfy the rate filings required by 33-16-203, MCA, after licensure.